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TO RUEHC/SECSTATE WASHDC 3982
INFO RUEHAD/AMEMBASSY ABU DHABI 1795
RUCPDO/DEPT OF COMMERCE WASHINGTON DC
RUEHRH/AMEMBASSY RIYADH 0033
RUEAIIA/CIA WASHINGTON DC
RHEFDIA/DIA WASHINGTON DC
RUEHDE/AMCONSUL DUBAI 6998

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SIPDIS

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PM/DTCC - BLUE LANTERN COORDINATOR

E.O. 12958: N/A

TAGS: [PK](#) [ETTC](#) [KOMC](#) [AE](#)

SUBJECT: BLUE LANTERN LEVEL 3: PRE-LICENSE CHECK ON APPLICATION
05-050013357 AND 05-1000570

REF: STATE 139498

1.(SBU) Summary: On September 21, PolEconOff conducted reftel pre-license check, after several attempts, on Al Burach Avio Support Services (Al Burach). Arqam Iqbal, operating head of Al Burach, confirmed pending sales to a Jeddah-based logistics company -- Aircraft Accessories and Components Co. Ltd. (AACC) -- which holds the Saudi Arabian end-user certificate for reftel parts. Al Burach intends to send the goods to AACC for onward delivery to the Saudi MoD. Al Burach consists of a small office in the Ajman Free Zone with two full-time and two part-time employees, and never receives shipment of goods, preferring to send directly to the end-user. Al Burach does not appear to fully comprehend US licensing regulations and restrictions. Additionally, due the uncertain nature of AACC and Al Burach's relationship with that company, Dubai is unable to assess this pre-license check as favorable. End summary.

2.(SBU) On September 21, PolEconOff conducted reftel pre-license check on Al Burach, located in the Ajman Free Zone, Building B-1, Office 416. PolEconoff met Arqam Iqbal, operating head of Al Burach, at the company's small office -- approximately 300 sq ft with three desks and several chairs for visitors. Iqbal said there is no formal structure but he is in charge of Al Burach -- founded and owned by his father, Mohammad Iqbal, who now works part-time. Iqbal said the 8-year old company has one other full-time employee, Asif Ebrahim, and another part-time employee, Saeed Ahmed.

3.(SBU) Iqbal confirmed reftel pending sales to a Jeddah-based logistics company -- Aircraft Accessories and Components Co. Ltd. (AACC) -- which holds the Saudi Arabian end-user certificate for the parts. Iqbal provided a partially legible fax of the blanket end-user certificate from the Saudi Air Force to AACC for "helicopter and simulator components." Iqbal claimed AACC has sent out requirements to many companies, including Al Burach, to fill out the order "which numbers in the thousands of parts." Al Burach intends to send the goods to AACC for onward delivery to the Saudi MoD.

4.(SBU) Iqbal claimed Al Burach never receives shipment of goods, preferring to send directly to the end-user because it does not have a warehouse or storage area. Iqbal said the company does not have the finances to handle large quantity orders or expensive components. He characterized the items in reftel order as a typical Al Burach transaction -- low cost and low quantity. Iqbal claimed most of the company's business is with commercial carriers. He said "we are a small company and do not have any 'regular customers'" but have conducted business with entities in Israel, Saudi Arabia -- including the MoD --

Turkey and the UAE.

5.(SBU) Iqbal provided the following contact information for AACC:

Mike Kontos, Director of Procurement
Aircraft Accessories and Components Co. Ltd
P.O. Box 126249, Jeddah 21352, Saudi Arabia
Phone: 966 2 669 4888
Fax: 966 2 660 4862

6.(SBU) This is the first pre-license check of Al Burach, and the company was confused about the process, hoping it could be avoided altogether. While Al Burach expressed willingness to comply with US end-use regulations and licensing procedures, it is clear they lack complete understanding, and given the small orders they process would prefer not to do business with the US in the future if "we have to go through all this every time." Additionally, due to the uncertain nature of AACC and Al Burach's relationship with that company, Dubai is unable to assess this pre-license check as favorable.

SUTPHIN